



MARYLAND OPPORTUNITY ZONES



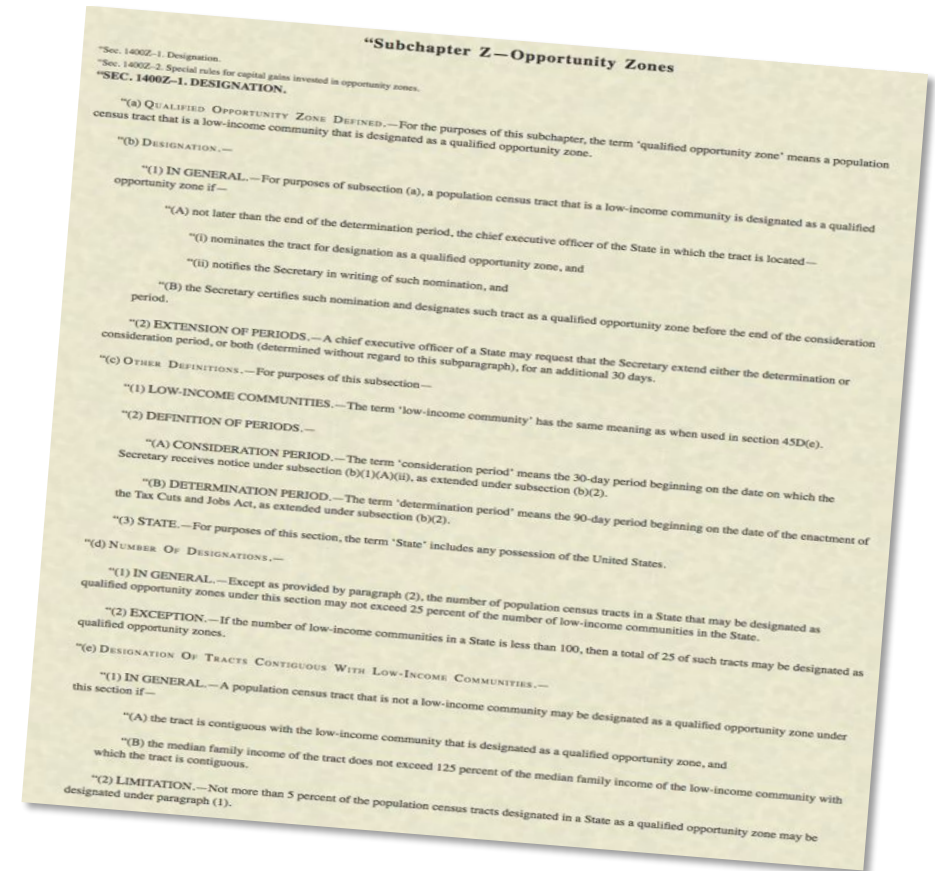
Maryland Opportunity Zone Leadership Task Force Kick off meeting **02/22/2019**

- **December 2017** **H.R. 1 - Opportunity Zone Legislation passes**
- **March 2018** **Governor Hogan submits nominated OZs**
- June 14th US Treasury designates Maryland's 149 Opportunity Zones
- **July 30th** **DHCD / Commerce hold Opportunity Zone Conference**
- October 22nd DHCD presents OZs at MEDA Conference
- October 23rd Community Development Network – OZ/Bonifant Senior homes
- January 3rd Governor Hogan OZ Leadership Committee / Legislative Agenda
- February 5th Montgomery County - OZ forum
- February 14th Rural Maryland Caucus

Background on Opportunity Zones

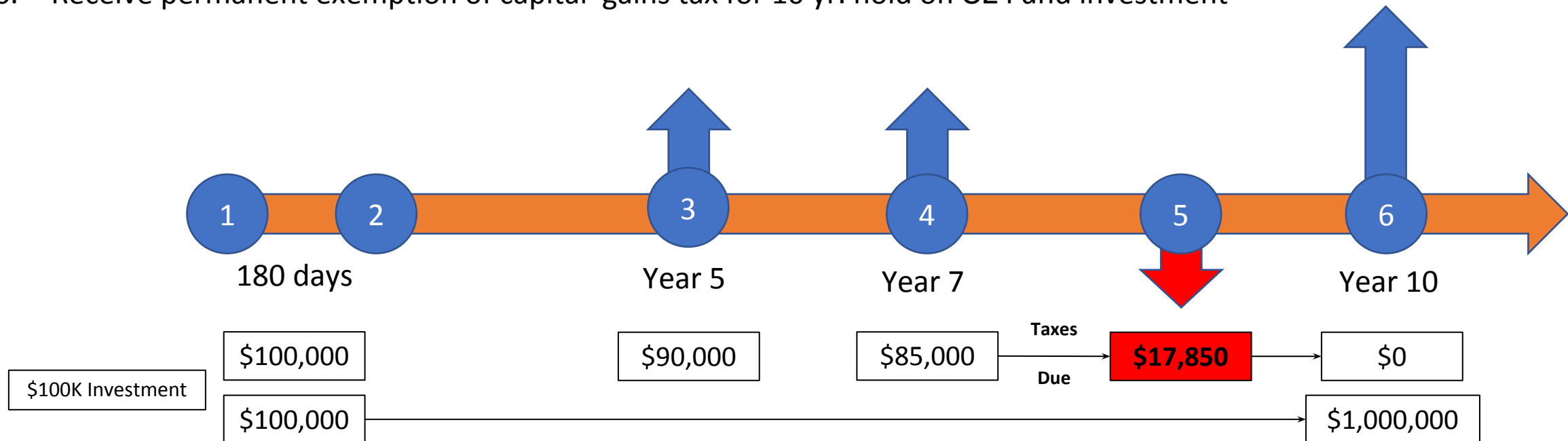
Opportunity Zones will help connect low-income communities with needed capital.

- **Capital** – U.S. households and corporations were sitting on an estimated **\$6.1 trillion** in unrealized capital gains at the end of 2017.
- **Connect** – Opportunity Zones offer a frictionless way for investors to dedicate all or a portion of their winnings to seeding the next generation of enterprise in distressed communities all across the country. In exchange, investors get a graduated series of federal tax incentives tied to **long-term holdings**.

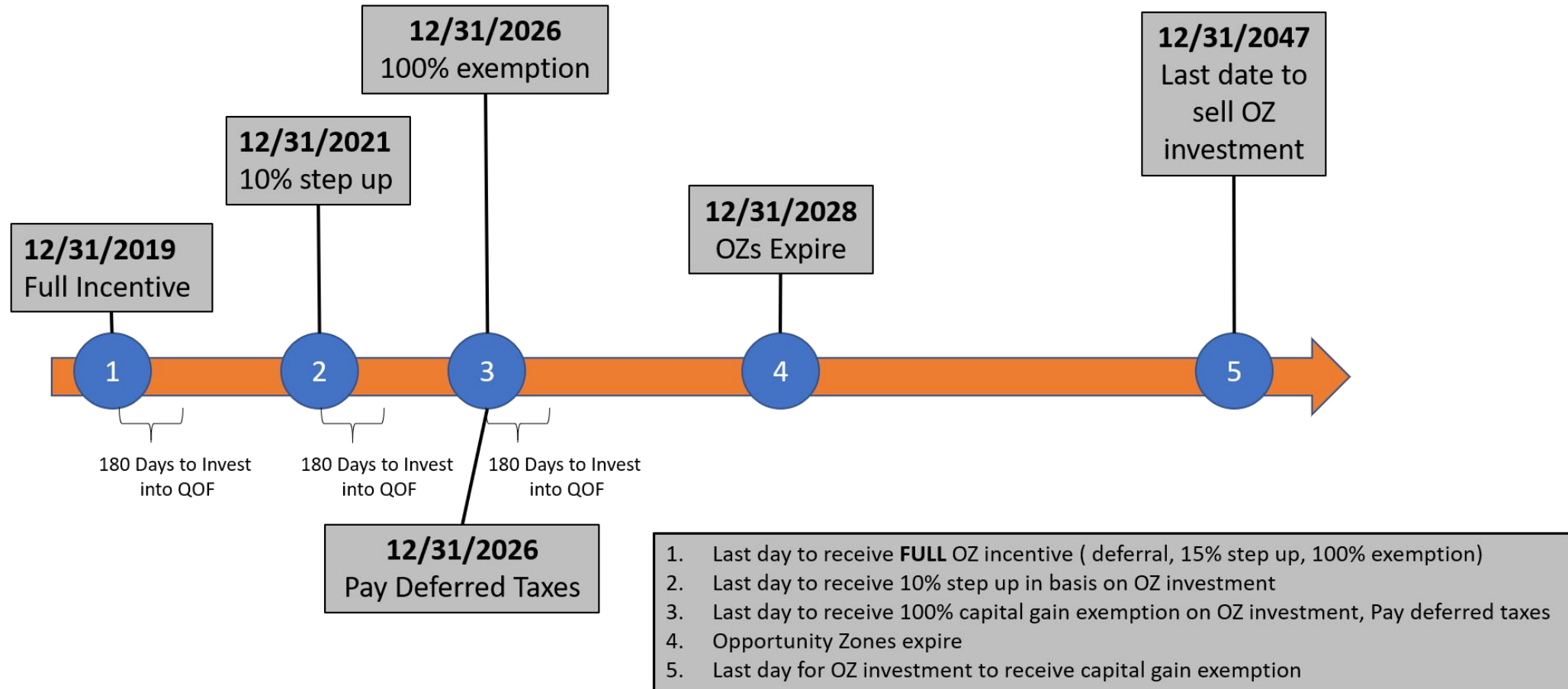


Source: EIG analysis of the Federal Reserve's Survey of Consumer Finances and Financial Accounts of the United States

1. Realize gain from any capital gain triggering event
2. Invest in OZ Fund within 180 days
3. Receive 10% step up basis for 5 yr. hold of OZ Fund investment
4. Receive additional 5% step up basis for 7 yr. hold of OZ Fund investment
5. Pay deferred capital gain taxes due for Step 1(85% of original) by 12/31/2026
6. Receive permanent exemption of capital gains tax for 10 yr. hold on OZ Fund investment



OZ Incentive Timeline



Investors

- Most valuable for 10 year investments in appreciating assets
- Six months to invest after realizing a capital gain
- Another six months to deploy 90% of capital in Zones
- Capital is required to be an equity investment

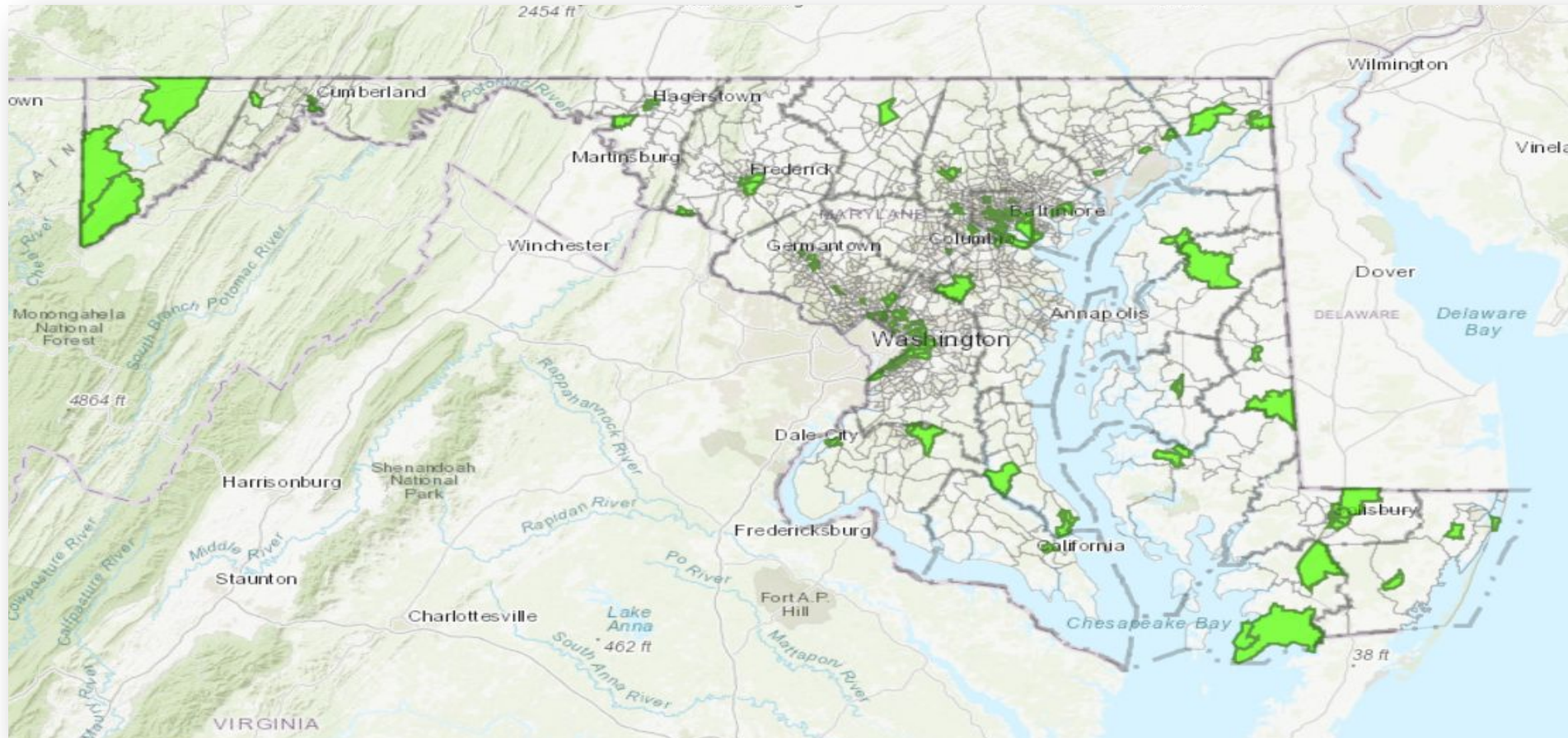
Funds

- All capital must flow through an Opportunity Zone Fund
- Opportunity Zone Funds must be established
- Opportunity Zone Funds are self-certified via an IRS tax form
- 90% of fund assets must be invested in Opportunity Zone

Investments

- Must be equity investments
- Real estate investments must include substantial rehabilitation
- “Sin businesses” are not eligible
- Other requirements include property use in “active conduct of business” and limits on assets held in cash

Maryland Opportunity Zones

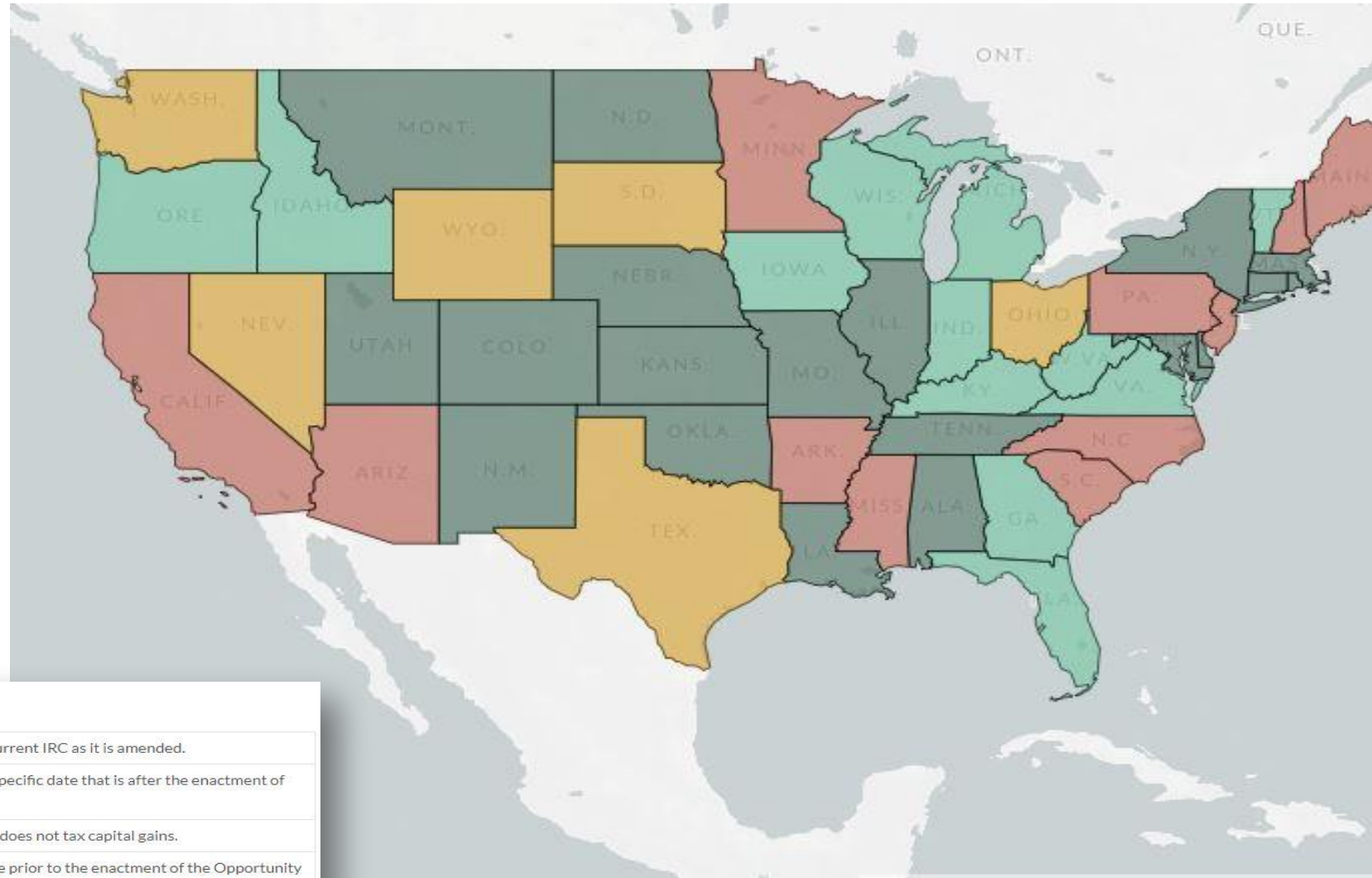


# of Designated Opportunity Zones	
County	
Allegany	4
Anne Arundel	4
Baltimore County	10
Baltimore City	42
Calvert	3
Caroline	2
Carroll	1
Cecil	3
Charles	3
Dorchester	2
Frederick	5
Garrett	3
Harford	4
Howard	1
Kent	1
Montgomery	14
Prince George's	25
Queen Anne's	1
Somerset	3
St. Mary's	1
Talbot	2
Washington	5
Wicomico	7
Worcester	3
Total	149

State and Departmental Recommendations

- Align Maryland policies, regulations, and legislation to leverage Opportunity Zones
- Work with local jurisdictions on “One Stop” permitting
- Coordinate with federal, state, local government, developers and investors
- DHCD – update Qualified Allocation Plan (QAP) to provide multifamily housing incentives
- DHCD – provide loans and grants to leverage Opportunity Zone investments
- DHCD – establish information exchange to attract private sector capital

- In Maryland, both personal and corporate income taxes use federally calculated AGI as the starting point
- Maryland automatically conforms to the current federal tax code

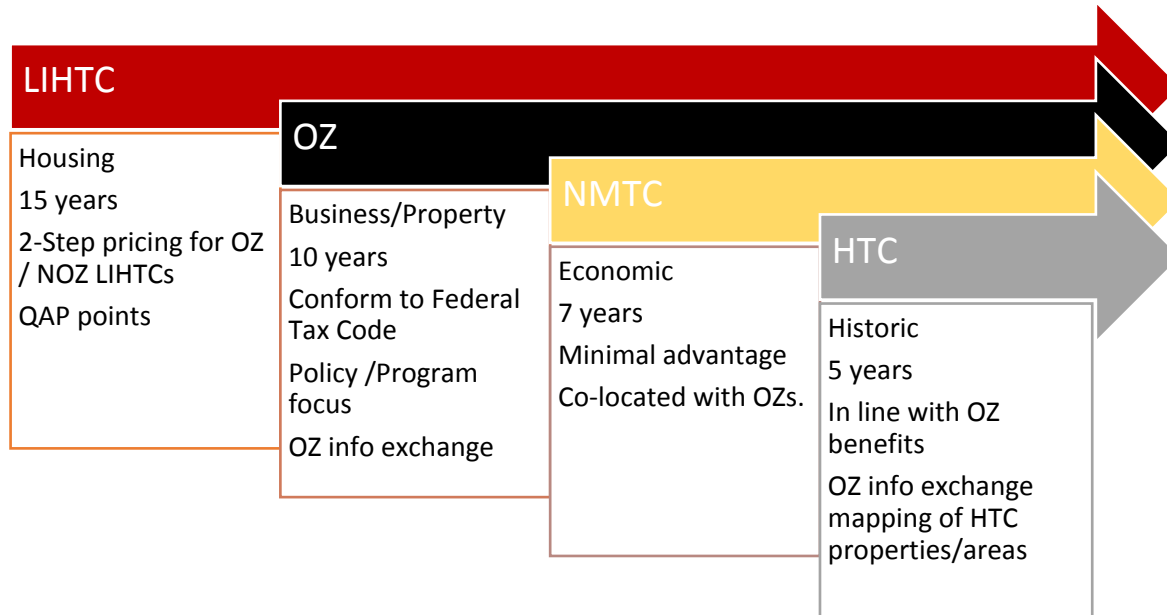


Legend

	Conforming - Rolling: The state automatically conforms to the current IRC as it is amended.
	Conforming - Fixed Date: The state conforms to the IRC as of a specific date that is after the enactment of the Opportunity Zones legislation.
	No Capital Gains: The state has no state income tax or generally does not tax capital gains.
	Nonconforming: The state conforms to the IRC as of specific date prior to the enactment of the Opportunity Zones legislation or the state has specifically decoupled from the Opportunity Zones provisions of the IRC.

Source – Novogradac website

State HFAs can bring resources to the table



Downtown Cumberland, Maryland

- COMMERCE - Tax Credits for creating new jobs / expanding job in OZs
- DLLR - Workforce training (EARN)
- DHCD – grants & loans
 - Rental Services
 - Strategic Demolition
 - Neighborhood Business Works
- TEDCO – Strategic Infrastructure Investment Fund

Opportunity Zones – Information Exchange

- A virtual meet up for investors, fund managers, property developers, new or expanding businesses, and local stakeholders
- A bulletin board tracking OZ news and investment activity
- A project / business locator for interested investors
- A search tool for financial incentives based on address and/or area



Opportunity Zone Listings

1.539 Acre Parcel, Zoned High-Intensity Mixed Use, in Lexington Park, MD
Project - Mix

102 W. Potomac Street - Brunswick
Project - General

108.41 Acre Parcel Zoned High-Intensity Mixed Use in Lexington Park, MD
Project - Mix

1100 Wicomico
Project - Office

1231 Tech Court
Project - Office

17.798 Acre Parcel Zoned Limited Commercial Industrial in Lexington Park, MD
Project - Retail

1787 Capital Fund - Mix

1812 Greenmount
Project - Mix

2.21 Acre Parcel, Zoned High-Intensity Mixed Use in Lexington Park, MD
Project - Mix

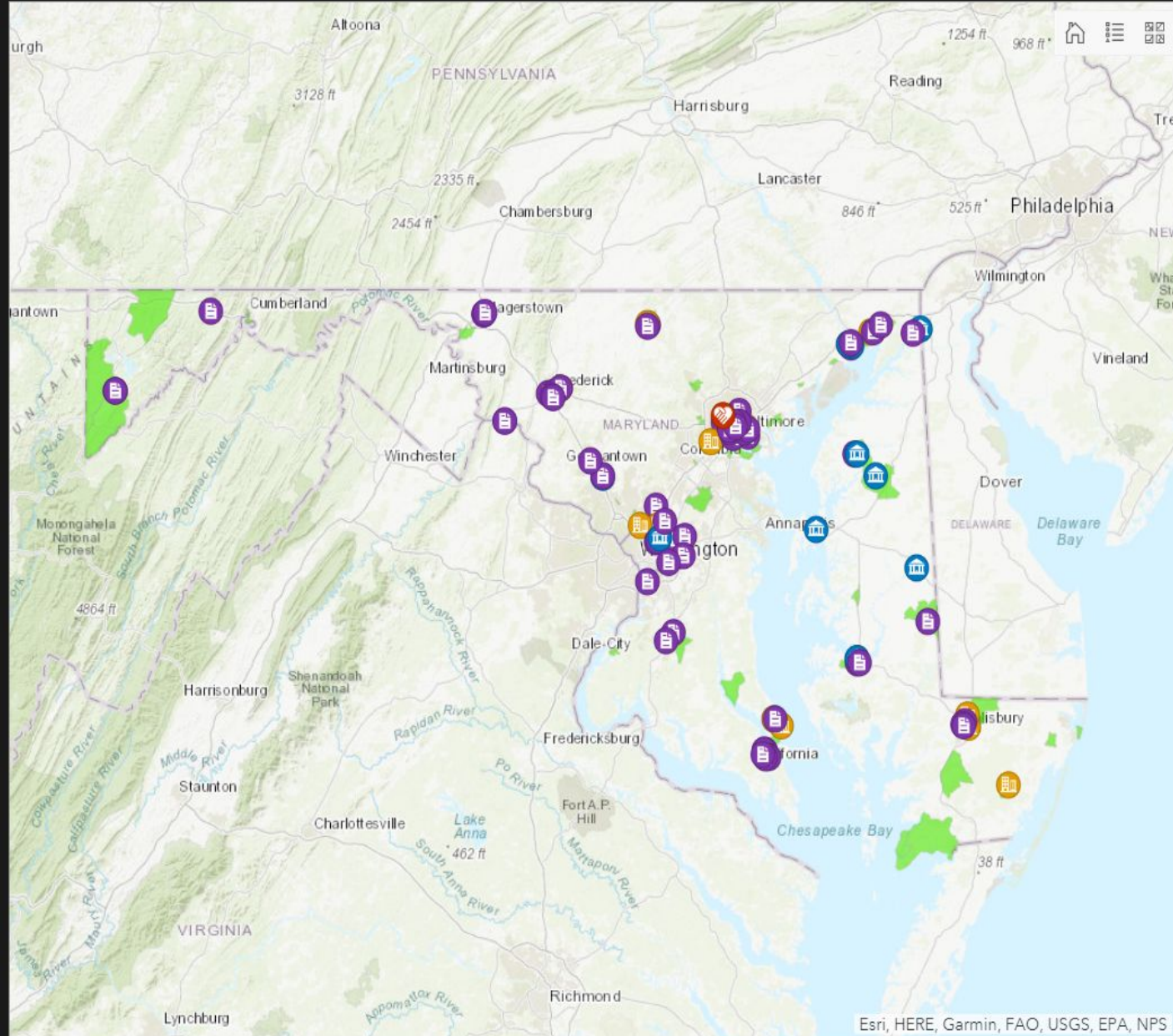
2.34 Acre Parcel Zoned High-Intensity Mixed Use in Lexington Park, MD
Project - Mix

2.59 Acre Parcel Zoned High Intensity Mixed Use in Lexington Park, MD
Project - Mix

200-204 East Diamond Avenue
Project - Mix

22.286 Acre Parcel Zoned High-intensity Mixed Use in Lexington Park, MD

Select a product from list to get more information



Terms of Use

☐ I AGREE AND UNDERSTAND

Listing Contact Information

Name:

1.539 Acre Parcel, Zoned High-Intensity Mixed Use, in Lexington Park, MD

Listing Type:

Project

Description:

1.539 acre parcel in Lexington Park, MD zoned high-intensity mixed use. About Lexington Park Lexington Park in St. Mary's County, Maryland offers coastal, country living in a high-tech world. With the most coastline of any county in Maryland and tobacco barns peppering the landscape, you can experience beautiful, bucolic landscapes and perfectly prepared raw oysters. Lexington Park is home to Naval Air Station Patuxent River, where \$40 billion of Navy procurement, research, development, test and evaluation takes place every year. That brings a substantial base of highly-skilled engineers, lawyers, and other business professionals, as well as advanced manufacturing trades. Economic Snapshot - Has the country's 5th highest concentration of high-tech workers - Ranked the 4th best place for tech jobs in the country (Nerdwallet) - 34 is the median age - Average income per household in 2016: \$86,810 - 55 miles from Washington, D.C.

Address:

46231 CORPORATE WAY, Lexington Park, Maryland 20653

Jurisdiction:

St. Mary's

Contact Information:

Christine Brooks
christine@millisonmanagement.com

Click the symbol on map to get more specific information on this product



MARYLAND OPPORTUNITY ZONES



Link to [Information-Exchange](#)
Link to [DHCD Opportunity Zones](#)

Questions?